GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2151
ANSWERED ON:04.08.2000
INFRASTRUCTURE SECTOR
RAM PRASAD SINGH

Will the Minister of FINANCE be pleased to state:

(a) The main recommendations of Rakesh Mohan Committee on Infrastructure;

(b) The steps Government propose to take on the recommendations, Particularly in respect of demand and actual supply of funds;

(c) Whether the Government propose to allow participation of foreign sector in the infrastructure; and

(d) If so, the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a), (b), (c) & (d): The Rakesh Mohan Committee has provided directions for policy reforms, which can help in greater commercialisation of infrastructure, along with the promotion of public-private partnerships. Its major recommendations are as following:

Group has estimated that the total infrastructure investment requirements would be about Rs.4,300 billion between The Expert1996-97 to 2000-01 and about Rs.7,500 billion during 2001-2005-06.
For meaningful commercialisation of infrastructure projects, the Government must ensure that project risks are clearly demarcated and allocated to different stakeholders.
If infrastructure is to financed through the capital markets, it is necessary to initiate major reforms in the area of contractual savings institutions.
India needs an institution to specifically provide credit enhancements to projects and activate the debt market.
The existing sector-specific enactments should be unified into a single statute and an autonomous regulatory body should be set up for each infrastructure sector.
Sector specific reforms have also been suggested for urban infrastructure, ports, roads, power, telecom and industrial parks.

Most of the major recommendations have been accepted by the Government and appropriate policy directions have been announced.